

## Request for Council Action

Originator Port Authority	Item <b>CTIB Orange Line Funding</b>
Agenda Section Organizational	Date 8/15/2016
Description	

On June 21, 2016, the Dakota County Board of Commissioners passed a resolution to withdraw from membership in the County Transit Improvement Board (CTIB). Dakota County's withdrawal will become effective on December 31, 2018, based on the terms of the Joint Powers Agreement (JPA) establishing CTIB. During the time Dakota County is still a member they may not vote on the issuance of further debt, but may vote on all other matters.

At the July 20 CTIB meeting, options for addressing the loss of Dakota County's revenue were discussed. Dakota County generates 13.2% of CTIB's annual revenue of \$117 million. Dakota County's withdrawal will restrict CTIB's options to keep the agency solvent. It will have a big impact on the agency's ability to do regional transit projects.

While myriad options to fund CTIB projects continue to be explored (and are dependent on whether there is a Special Legislative Session), one of the solvency solutions proposed is to cut CTIB funding for projects with a "Dakota County nexus." CTIB determined that projects with a Dakota County nexus include the Orange Line BRT and the MOA Transit Station.

The \$150 million Orange Line project would serve as a southern spine for the region's transit infrastructure. Its construction relies upon \$75 million of Federal Funding. The local share of \$75 million must be secured by September 2, 2016 in order for Metro Transit to submit a competitive application for the \$75 million in Federal funds. There is a very good chance for Federal funding if the local 50% share is committed. If CTIB's proposed share of \$45 million (of the local \$75 million) is cut, the federal matching funds will be lost and the project will be hard to resurrect with that funding gap.

For the MOA Transit Station, losing CTIB's pledged \$2.25 million would widen the project funding gap from \$8.75 million to \$11 million of the \$25 million total project cost. While the MOA Transit Station was originally on the list of CTIB-impacted projects, we have heard informally that funding for the project may be secure.

Scott County and Carver County chose not to be full members of CTIB when it was created (they are ex-officio members). Dakota County's withdrawal hampers CTIB's effectiveness to deliver projects. The counties that remain are Hennepin, Ramsey, Anoka and Washington. If other counties leave CTIB, it may not survive long-term.

Creator: Schane Rudlang  
Presenter: Schane Rudlang

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### Requested Action

Move to authorize the Mayor to sign and send the attached letters related to funding the Orange Line.

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### Attachments:

Letter to Dakota County  
Letter to CTIB